Exhibit J

From:	John Nakahata
To:	"Elizabeth Drogula"; Preston Wise
Cc:	Jennifer P. Bagg; Christopher Nierman
Subject:	Working Capital response
Date:	Tuesday, July 31, 2018 8:45:56 PM

We have reviewed your question regarding working capital, as well as FCC rule 65.820. From what we can tell, GCI's methodology was generally less favorable to GCI or similar to the methodology suggested by Rule 65.820. GCI's methodology, which was based on GAAP, calculated its net working capital needs by comparing total TERRA or Satellite-based assets for RHC and E-rate against current liabilities. This yielded approximately [redacted] in working capital for TERRA, and [redacted] for satellite. Under this methodology, there is no way working capital could be excessive unless the rate of return is excessive, since the rate of return reflects the cost of money.

Rule 65.820 takes a different approach. It takes total operating expenses and factors that against the net lag days a proportion of 365 days per year. The working capital calculation for TERRA as a whole would start with [redacted] in TERRA operating expenses (excluding depreciation). A 4 month net lag would result in approximately [redacted] in working capital, and a 6-month net lag would result in [redacted] in working capital. For RHC only, using the TERRA Bandwidth Allocation model, RHC expenses less depreciation for 2017 would be [redacted] under the bandwidth allocation model, and [redacted] under the revenue allocation. RHC payment lag for 2017 is likely to be at least an average of 7 months, which would yield working capital of [redacted] under the bandwidth allocation and [redacted] under the revenue allocation. At an 8 month average lag, it would be [redacted] and [redacted] under the revenue allocation. This compares with [redacted] in the approach GCI used.

For satellite, the working capital calculation would start with operating expenses (excluding depreciation) of [redacted]. A 4 month lag would result in approximately [redacted] in working capital, and approximately [redacted] for satellite. RHC 2017 expenses, excluding depreciation, were [redacted] under the bandwidth allocation and [redacted] under the revenue allocation. RHC payment lag for 2017 is likely to be at least an average of 7 months, which would yield working capital of [redacted] under the bandwidth allocation and [redacted] under the revenue allocation. At an 8 month average lag, it would be [redacted] under the bandwidth allocation and [redacted] under the revenue allocation.

In any event, any difference in working capital would have to be multiplied by the permitted rate of return (whatever that is for a deregulated, non-dominant interexchange service) to yield a change in permitted revenues.

John T. Nakahata

HWG | HARRIS, WILTSHIRE & GRANNIS LLP

1919 M Street, N.W., The Eighth Floor
Washington, D.C. 20036
o-202.730.1320

Redacted - For Public Inspection

m-202.415.1320